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FORD GIVES 4 RULES
FOR R. R. OPERATION

Get Rid of Parasite Stockholders and Fire Useless Employees and Lawyers.

WASHINGTON, Oct. 24.—Henry Ford, writing in the current number of the official publication of the Chamber of Commerce of the United States, tells how he would run a big railroad. Mr. Ford's operation of his own road, the Detroit, Toledo and Ironstone, has been the subject of much discussion among railroad men and the public.

First of all, says Mr. Ford, he would get rid of the individual stockholder, whom he considers a parasite; then he would turn to lighter rolling stock, and finally "fire the useless employees, especially the lawyers."

Finance as it applies to railroads, says Mr. Ford, is a failure; and the roads spend money uselessly in red tape of all sorts, particularly in accounting. "The real purpose of a railroad," Mr. Ford writes, "is to serve the public. There is no reason why it should be diverted from that service and set to doing an entirely different thing—putting money into the pockets of stockholders who make no contribution to the road's actual operation. In the end the public pays these dividends. They are a tax on the whole people."

"There is a possible and practicable system of financing railroads by which these contributing the money will be in position to aid directly to the success of the undertaking. If the railroad on a railroad owns stock in it he has an additional inducement to competent service. If the railroad is a success it is due to him and his fellow workers, and they are entitled to the profit."

"Railroads should not have to go to banks for money. They can be otherwise financed. The first thing is to make a railroad work. Make it profitable for people to use it as much as they want to. Then there will be no trouble about financing. The trouble is that we start with finance and expect finance to make the road go. Finance can't do that. Finance is a failure."

"After removing the dividend drain the second step would be to remove the great physical burden of the railroads—needless weight of its rolling stock. A freight train is several times the weight of the load it carries and a passenger train is twenty times as heavy. The cost of pulling empty trains is needlessly large. Contrast this with the efficiency of the bicycle which weighs twenty pounds and will carry a man who weighs 200 pounds."

"The third step, an immediate step which should be taken in the operation of any great railroad system, would be that of expediting the journey of the freight carrier. By speeding up our freight over the preliminary part of its journey on the D. T. and I, we have been able to shorten the time of its delivery by periods ranging from seven to fourteen days. This means our product to the people to whom we sell it from seven to fourteen days quicker than it used to. It means that we carry on our books \$30,000,000 less undelivered product than we otherwise would."

"Most railroads have enough lawyers working for them to operate them if they were engaged in useful work. One of the first things is to dispense with the legal staff. A well managed road needs less of that sort of service. The lawyers are mostly in the claim department, which is one of the most wasteful branches of railroad operation. Any small claim against a railroad is very likely to knock about the claims department for weeks or months, to cost many times as much as it would to pay it. Proper organization would lead, at the time it is first presented, to establishing the facts about it and settling it on the basis of justice. It would keep all this detail off the books."

FOREIGN WAR DEBTS
FUNDING BILL PASSED
Commission Created With Full Authority to Act.

WASHINGTON, Oct. 24.—After rejecting a proposal that Congress should have the right to review the House late today passed the bill for the creation of a commission, headed by the Secretary of the Treasury, with full authority to refund war debts of foreign nations due the United States, amounting to \$19,000,000,000.

The vote on final passage of the bill was 117 to 103. The measure now goes to the Senate for early consideration. First to be defeated was a proposal by Representative Frear, Wisconsin, that foreign nations be required to pay a rate of interest averaging 5 per cent. Later the amendment by Representative Collier, Mississippi, to require Congressional review or approval of claims settlements was defeated, 117 to 71, on a rising vote and 135 to 88 on a count. This same proposal, which was in motion to recommit, was put to the House for a recorded vote later and defeated 185 to 131.

\$390,000 TO FIGHT
EXPECTED SNOWFALLS

Purchase of 87 Bodies for Flushing Tanks Approved.

The finance and budget committee of the Board of Estimate approved yesterday the request of John P. Leo, Commissioner of Street Cleaning, for the purchase of eighty-seven new motor chassis, upon which to mount tanks for flushing snowfalls. An appropriation of \$390,000 for the purpose was recommended. The board will act Friday, when it is expected also to approve the low bids for snow removal at Manhattan, Brooklyn and the Bronx.

The committee heard the pleas of Dr. W. H. Allen of the Committee on Non-Partisan Facts, in favor, and Judge Cornelius P. Collins of General Sessions against reduction of the appropriations in the 1922 budget for charitable institutions.

CHANDLER SCHEDULE FILED.

Failed Brokers' Assets \$1,050,133 and Liabilities \$5,418,309.

PHILADELPHIA, Oct. 24.—The schedule of assets and liabilities of the defunct stock brokerage firm of Chandler, Brothers & Co., filed in court today, showed assets of \$1,050,133 and liabilities of \$5,418,309.

The schedule showed that the liabilities, \$4,117,827 is owed the firm by persons who had accounts with it, counsel for the concern said today. The receivers expect to collect only about 10 per cent. of the money due.

1920 GOLD OUTPUT LOWER.

2,476,166 Ounces Produced in Year, Says Baker.

WASHINGTON, Oct. 24.—Gold production in the United States in the calendar year 1920 fell off by 35,146,000, as compared with 1919, according to the Director of the Mint, Raymond T. Baker.

OIL COMPANY'S NET
IS DOUBLED IN 1921

Mexican Petroleum Reports \$17.50 a Share Earned in First Half of Year.

The Mexican Petroleum Company in the first half of this year had net profits of \$8,304,117, after taxes, charges, depreciation and depletion, which is equivalent to approximately \$17.50 a share earned on the average amount of its outstanding common stock and contracts with about \$8.75 a share earned by the company in the corresponding 1920 period. In the full year 1920 the corporation's earnings were equivalent to \$20.25 a share on the stock.

The corporation's profit from operations in the first half of 1921 were \$13,987,144, from which were deducted charges for interest and amortization amounting to \$2,942,217. Depreciation and depletion of \$2,488,508 were written off and \$2,900,000 was set aside for taxes and contingencies. Dividends on the two classes of stock aggregated \$3,139,347, making the final surplus for the period \$5,173,770.

The balance sheet as of June 30 shows total current assets of \$21,655,540, against current liabilities of \$11,451,114. Inventories were carried at \$5,121,980 and accounts receivable at \$12,010,035. Cash totaled \$4,523,526. Accounts payable at the end of June were \$5,707,535, dividends payable \$1,534,831 and reserves for taxes and contingencies \$4,200,000. The property account, after deduction of nearly \$21,000,000 depreciation, was carried at \$70,101,295. Inventories of materials and supplies were fixed at \$4,226,978 and accounts with affiliated companies at \$3,982,032. Deferred charges aggregated \$1,576,387.

Roy H. Plummer, an expert in the Latin-American Division of the United States Department of Commerce, in a lengthy article in the *Commerce Reports*, published weekly by the Department, declares that there has not been any salt water invasion of the Cerro Azul and Toteco fields, although in all other fields some of the wells have been damaged or destroyed. The older Mexican fields, he added, "will continue to give oil for a considerable time, but such production probably will be increasingly smaller from the peak of 1920 and 1921."

"George Otis Smith, Director of the United States Geological Survey," the Plummer report goes on, "puts the proved area of Mexican oil lands at about 10,000 square miles, with reserves of 4,500,000,000 barrels, and the potential output of improved territory at 1,250,000,000 barrels. A greater part of the improved territory is already in the hands of the large corporations. The exhaustion of the Amatlan pool will mark the passing of the independent operator in the south fields region to a considerable extent."

"The enormous reserves of petroleum lands situated in the producing regions held by the Mexican Petroleum Company and the Aculia Company, these companies to regard the intrusion of salt water with a certain degree of equanimity. The Mexican Petroleum Company has obtained a forty year lease on 800,000 acres in the Tampico district on land which shows extensive oil seepages."

CANADIAN DURANT CO.
ANNOUNCES ITS PLANS

Motor Car Concern to Put Out \$1,500,000 Stock.

Special Dispatch to The New York Herald. Toronto, Oct. 24.—Plans for financing the new Durant Motor Car Company of Canada, Ltd., are announced. Its authorized capital will be \$2,000,000, of which \$1,500,000 in stock is to be issued. All the subscribed capital of the company will go into its business and no reservation will be made for stock bonuses, commissions or other purposes. Only organization and underwriting fees will be allowed in connection with the offering. The stock will have a par value of \$10 a share, only one class of stock being issued.

Of the \$1,500,000 in stock to be issued by the Canadian company, W. C. Durant and associates have subscribed for half. The other half will be offered by Richardson, Sheppard & Thorburn of Toronto. The shares are convertible at the option of the holders in or after August, 1924, and prior to August, 1926, into capital stock of the American parent company, the conversion to be based on the price of \$30 a share for the American company and par for the Canadian one.

FRISCO ROAD REPORTS.

Shows \$1,940,193 for Rentals and Fixed Charges in September.

The report of the St. Louis-San Francisco Railway Company to the Interstate Commerce Commission for September shows \$1,940,193 available for rentals and fixed charges. In contrast to \$2,035,719 in net income in September, 1920. The carrier's gross operating revenues of last month were \$7,605,424, contrasted with \$9,821,956 in September, 1920. That shrinkage of gross receipts was nearly offset by a decrease of \$2,081,849 in operating expenses, including charges for transportation and maintenance of way and equipment, which totaled \$5,320,298.

In the nine months ended on September 30, the carrier's reported gross operating revenues of \$64,161,742, of which \$13,038,871 was saved for rentals, taxes and fixed charges.

LONDON WOOL AUCTION.

LONDON, Oct. 24.—The offerings at today's wool auction were 8,636 bales. Competition for fine and medium grades was spirited, but lower sorts were slow. Prices were maintained.

EQUIPMENT TRUSTS.

(Quoted on a Percentage Basis.)

St. L. & N. O.	1921-22	6	6.50
St. L. & N. O.	1922-23	6	6.50
Delaware & Hud.	1922-23	4½	6.25 3.85
Delaware & Hud.	1923-24	4½	6.15 3.80
Delaware & Hud.	1924-25	4½-6	6.35 4.75
Ill. Northern Ry.	1922-23	6	6.20 0
Ill. Central	1921-22	4½-6	6.30 4.00
Ill. Central	1922-23	6	6.15 5.80
Ill. Central	1923-24	5	6.25 5.80
Ill. Central	1924-25	5	6.25 5.80
Louisville & Nash.	1922-23	6	6.15 5.80
Louisville & Nash.	1923-24	6	6.15 5.80
Mechanicsville & N.	1922-23	5-6	6.20 5.80
Mechanicsville & N.	1923-24	5-6	6.20 5.80
M. & S. P. & S. S. M.	1922-23	6-6½-7	6.50 6.00
Mo. Kan. & Tex.	1921-22	5	7.25 5.50
Mo. Kan. & Tex.	1922-23	8	8.00 5.50
New York Central	1921-22	4½-6	6.25 5.85
New York Central	1922-23	4½-6	6.25 5.85
New York Central	1923-24	7	6.30 5.85
N. Y. & H. 1921-22	4½-6	6	7.25 5.50
Norfolk & West.	1922-23	6	6.10 5.80
Norfolk & West.	1923-24	6	6.10 5.80
Pacific Fruit Exp.	1922-23	7	6.15 5.85
Pacific Fruit Exp.	1923-24	6-6½	6.10 5.85
Ch. & P.	1922-23	6	6.10 5.80
St. Louis & L.	1921-23	6½	6.10 5.85
St. Louis & L.	1922-24	6½	6.10 5.85
St. Paul & A.	1921-23	4½-6	7.25 6.75
St. Paul & A.	1922-24	4½-6	7.25 6.75
Southern Railway	1922-23	7	6.15 5.80
Southern Railway	1923-24	6½-7	6.65 6.25
Virginian Railway	1921-30	6	6.40 5.90